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ER-6-6434

9 FEB 1955

MEMORANDUM FOR : Deputy Director (Support)

SUBJECT : Proposed Regulation [REDACTED] Agency Activities Approval System 25X1A

REFERENCE : Memorandum from Deputy Director (Administration) to Comptroller (and others), Same Subject, dated 14 January 1955

1. This regulation as originally submitted by this Office to the Regulations Control Staff for issuance set forth, in lieu of subparagraph 4.c. (1) (a) as included in the proposed regulation, the specific action of the Director relative to the approval of FI projects as stated in his memorandum, dated 30 January 1954, to the Deputy Director of Central Intelligence, the Deputy Director (Plans), and the Deputy Director (Administration), Subject: Approval of FI Projects.

2. It is the view of this Office that the proposed regulation should include the specific action of the Director in this connection inasmuch as present and future Agency officials should have available to them for convenient reference, when needed, the precise statement of authority delegated by the Director. In addition, the substance of subparagraph 4.c. (1) (a) as set forth in the proposed regulation is unnecessary to state in a regulation of the Agency since the Director obviously has the power to grant special authority to approve designated types of projects without specific provision being incorporated in the regulations to so state.

3. In order that adequate fiscal controls be maintained in connection with program approvals, it was the intent of this Office to make sure that the proposed regulation stated that program approvals constituted "authority" rather than "directive" to issue allotments. In the prior review of this regulation, the word "directive" was inadvertently left in sub-paragraph 4.b.(3)(a). It should be changed to read "Authorization to the Comptroller...." rather than "A directive to the Comptroller....".

4. Paragraph 4.c.(3) implies that the Comptroller can make a transfer of funds to the other agencies only after coordination with the Bureau of the Budget. The Comptroller should not be required to do something in this procedure that he is not normally required to do in the conduct of the fiscal affairs of the Agency. At present the Comptroller only coordinates fund transfers with the Bureau of the Budget when it is deemed necessary. This paragraph

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should be changed to delete all references of coordination with the Bureau of the Budget in connection with fund transfers. Since the Comptroller is the authorized Agency contact with the Bureau of the Budget, a new paragraph 5 should be added in this section to read as follows:

"(5) All coordination with the Bureau of the Budget, as may be required, shall be made by the Comptroller."

5. This Office recognizes the desirability of releasing the subject regulation at the earliest practicable date and, accordingly, concurs therein. It is recommended, however, that an appropriate revision of the subject regulation be initiated immediately to provide for the recommended changes outlined above.



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E. R. SAUNDERS
Comptroller

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